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NATIONAL HEALTH SERVICE CORPS REVITALIZATION ACT OF 1990

JULY 16 (legislative day, JULY 10), 1990.—Ordered to be printed

Mr. KENNEDY, from the Committee on Labor and Human Resources, submitted the following

REPORT

[To accompany S. 2617]

The Committee on Labor and Human Resources, to which was referred the bill (S. 2617) having considered the same, reports favorably thereon without amendment and recommends that the bill do pass.

SUMMARY OF THE BILL

As reported by the Committee, the National Health Service Corps Revitalization Act of 1990 (S. 2617) extends the authority of National Health Service Corps (NHSC) through FY 1994. It authorizes appropriations of $65 million for FY 1991, and such sums as needed in FY 1992, 1993, 1994 for the NHSC field program. The bill also includes provisions to strengthen NHSC efforts to recruit and retain health care professionals by establishing a set of priorities for selecting applicants that would target disadvantaged and minority students, residents of medically underserved areas, primary care providers, and non-physician providers (nurses, nurse practitioners, nurse midwives, and other types of non-physician providers). The bill also requires that funds be set aside specifically for recruiting and retaining nurses, nurse practitioners, nurse midwives, and other non-physician health care providers in the NHSC.

S. 2617 requires the Secretary to include a statement listing all the factors used in the selection of applicants and the assignment of Corps members along with the NHSC applications and contracts provided to individuals interested in participating in the Corps. The bill sets a number of priorities for awarding scholarships and

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loan repayments. Priority would be given to applicants who are residents of health manpower shortage areas (HMSA); individuals who are from disadvantaged or minority backgrounds; applicants who demonstrate an interest in providing primary care service in medically underserved areas through clinic programs; nurses, nurse midwives, nurse practitioners and physicians assistants, social workers, and other non-physician providers; and to applications from physicians in the primary care fields.

RETENTION AND RECRUITMENT

S. 2617 authorizes the Secretary of Health and Human Services (HHS) to establish and implement a program of incentives to improve NHSC recruitment and retention. The bill requires the Secretary to give priority in the awarding of scholarships and loans to individuals who attend schools and training programs demonstrating success in training health care professionals in primary care fields. The bill authorizes the Secretary to distribute materials and encourage financial aid offices of medical, nursing, graduate departments of psychology and social work schools, primary care oriented medical school departments, and residency programs to inform all students and residents about the NHSC programs.

EXPERIENCE AND TRAINING

The bill requires the Secretary to make grants and enter contracts with health professions institutions and public and private nonprofit entities for programs that provide primary care experience and training for health professions students in medically underserved settings. The bill also requires the Secretary to establish a fellowship program for physicians and non-physicians providers with an interest in practicing primary care in medically underserved areas.

S. 2617 would provide incentives to recruit and retain NHSC personnel by establishing exchange programs with teaching centers and providing leave time for professional conferences and sabbaticals. Another incentive included in the bill requires the Secretary to establish options for flexible work programs such as job sharing and couple recruitment for Corps members. The bill also requires that the Secretary recruit individuals who are not participants in the NHSC programs to become Corps members.

EVALUATION AND ADMINISTRATION

The bill requires the Secretary to evaluate the effectiveness of the incentive programs established by the bill on increasing participation in the NHSC and influencing health care provider location decisions. The results of the evaluations are required to be submitted to Congress by no later than March 1 of each even numbered year. S. 2617 authorizes the Secretary to increase the administrative staff of the NHSC as needed to insure that the new programs established by the bill have sufficient administrative staff to implement the programs.

The bill provides the Secretary with more flexibility in determining the types of benefits available to an individual entering into an NHSC service contract. The ability to vary the existing NHSC

scholarship and loan repayment benefits can enhance the program's ability to recruit a larger pool of applicants. Such a tailored financial assistance package could include both scholarship and loan repayment components or partial scholarship awards to individuals with financial situations that do not warrant the program's full financial assistance.

S. 2617 also provides for the part-time fulfillment of an NHSC service obligation for individuals beginning in their 3rd year of residency training. The Secretary is also permitted to allow individuals who default on their NHSC obligation to partially fulfill their obligation through service, although such service would not supplant existing default penalties. The bill permits the Secretary to transfer funds between the scholarship and loan repayment programs as needed depending on the availability and needs of the program. The bill requires that the U.S. General Accounting Office (GAO) perform an administrative review of the Corps and report to Congress by January 1, 1993. S. 2617 authorizes appropriations for the NHSC field program of $65 million for FY 1991, and such sums as may be necessary for each of the FY 1992–1994. The bill further requires that authorization for appropriations for FY 1991–1994 include no less than 8 percent of the total amount be set aside for NHSC participation by non-physician providers. Authorization for appropriations for the NHSC loan and scholarship programs are to be such sums as may be necessary for the programs, and the Secretary is required to make 10 percent of scholarship and loan repayments available to non-physician providers.

OFFICE OF RURAL HEALTH

The bill requires the Secretary to make grants to States for establishing State Offices of Rural Health, or to assist existing State rural health offices. States receiving such grants are required to provide financial assistance equal to the amount of the Federal grant. State Offices of Rural Health are required to provide leadership and advocacy on rural health issues and make recommendations on improving the quality and cost effectiveness in the delivery of rural health care. The bill provides authority for appropriations of $3.75 million in FY 1991, and such sums as may be necessary for each of the FY 1992–1994.

The bill would also allow NHSC dentists and other NHSC health care providers hospital admitting privileges, if such admitting privileges are authorized by State law. In addition, the bill would expand the home health area demonstration project from 3 to 5 grants to 10 to 50 grants to States or private entities. Conforming amendments would replace the term "HMSA" in current law with the new term "health professional shortage area."

SECTION-BY-SECTION ANALYSIS

Section 1 of the bill provides that the act may be cited as the "National Health Service Corps Revitalization Act of 1990."

Section 2(a) includes the following findings of the Congress:

> The mission of the NHSC is to improve the health care services available to medically underserved populations by affecting the geographic distribution of health care professionals;

The NHSC has provided over 16,500 health professionals for medically underserved communities, reaching peak field strength in 1986 with 3,127 providers;

The key contributors to the field strength were recipients of NHSC medical school scholarships awarded in return for a service commitment in the Corps;

The number of NHSC scholarship awards peaked in 1978 when 3,150 were awarded;

The number of scholarship awards and commitments to the NHSC declined steadily throughout the 1980s due to a planned phase out of the NHSC scholarship program and reductions in funding;

Between 1986 and 1989, the number of providers in place around the country declined by over 1,000;

The phase out in the scholarship program was based on the theory that a physician surplus would drive physicians into underserved communities, but the overflow of physicians into underserved areas did not occur and many communities lost their sole provider due to the cutback in NHSC program;

Inner city and rural communities face an especially serious deterioration in the availability of health care services that has been exacerbated by the decline in the field strength of the Corps, and in some communities the situation is reaching a crisis level;

The Department of Health and Human Services designated the following number of HMSAs, as of December 1987:

786 dental shortage areas;

562 psychiatry shortage areas; and

1,944 primary care shortage areas;

More than 4,000 physicians would be needed to fill the primary care shortage areas and the other shortage areas mentioned above;

Approximately 50 percent of the medically indigent population in designated shortage areas reside in rural areas and rural areas constitute roughly 70 percent of HMSAs;

In 1987, to reverse the shortages created by the cuts in the NHSC scholarship program, a new loan repayment program for health professionals was established;

The response to the NHSC loan repayment program offered to doctors and nurses made it clear that additional funds were needed for such a program;

The number of mid-level practitioners, including nurse practitioners and physicians assistants, increased significantly in recent years in underserved areas and rural areas, and such practitioners have provided an important source of health care services complementary to existing physician services;

A mix of providers that includes nurses, nurse practitioners, certified nurse midwives, physicians assistants, psychologists, social workers, other mental health workers, and physicians is needed in order to provide for the full range of services needed by medically underserved communities;

While the NHSC loan repayment program may represent a useful incentive to bring such health personnel to underserved areas, scholarships are needed to successfully recruit nurses,

certified nurse midwives, and nurse practitioners to serve in HMSAs; and

The high turnover rate of health professionals in medically underserved areas requires developing improved methods of retention to keep existing NHSC personnel in the medically underserved areas to which they are assigned.

Section 2(b) states the purpose of the bill as the following:

To increase the supply of vital health professionals to urban and rural underserved health professional shortage areas;

To halt proposals to phase out the NHSC scholarship program and increase the number of scholarships and loan repayments available for physicians and other non-physician health care providers; and

To revitalize the NHSC by improving the recruitment and retention of providers and by diversifying the Corps to include mid-level practitioners, psychologists, social workers, and other mental health professionals.

Section 3 amends section 338A(c)(2) of the Public Health Service (PHS) Act requiring the Secretary of HHS to include a statement of all the factors considered in the selection of applicants and the assignment of Corps members with application forms and contract forms disseminated to individuals desiring to participate in the NHSC program.

Section 4 amends sections 338A(d) (scholarship program) and 338B(d) (loan repayment program) of the PHS Act directing the Secretary to give priority to the following types of applications in the process of approving individual contracts under the NHSC programs:

Applications from individuals who are legal residents of HMSAs or are residing in an HMSA when their application is submitted;

Applications from disadvantaged individuals and minorities;

Applications from individuals demonstrating an interest in providing primary care service for the underserved through the participation in clinical programs;

Applications from nurses, nurse midwives, nurse practitioners, physicians assistants, psychologists, social workers, and other mental health professionals; and

Applications from physicians in the primary care fields.

Section 5 amends subpart III of title III of the PHS Act by authorizing the Secretary to establish and implement a program of incentives to improve the NHSC recruitment and retention that includes the following components:

Incentives giving priority to awarding scholarships and loans to individuals who attend schools and training programs demonstrating a record of success in training individuals to enter primary care fields and serve in medically underserved areas;

The distribution of materials and encouragement of financial aid offices to inform all students and residents about the NHSC scholarship and loan repayment programs in medical, nursing, graduate departments of psychology, social work schools, or primary care oriented medical school departments.

Grants and contracts with health professions institutions and public and private nonprofit entities for developing pro-

grams that would expose and train health professions students in clinical settings administered by counties, States, or the PHS providing primary care services to medically underserved areas.

Appointments of career advisors to assist Corps members from the time when an individual enters an NHSC contract until the completion of their service obligation.

Fellowships in primary care, in conjunction with eligible residency programs and other training programs, for physicians, nurse practitioners, nurse midwives, and physician assistants who have an interest and commitment to primary care, to enable such health professionals to gain exposure and expertise in the delivery of medical services to underserved populations in HMSAs.

Encouraging faculty appointments for Corps providers at health professional schools, providing access for such providers and the communities they serve to university facilities, and making such providers a source of expertise for health professions students.

Establishing exchange programs with teaching centers that provide leave time for professional conferences, sabbatical leave, and traveling medical consultation teams to increase opportunities for patient case presentations, discussions and research by Corps personnel.

Establishing a program to provide Corps members with the opportunity to join the Commissioned Corps of the PHS to take advantage of membership privileges available to members of the uniformed service such as the ability to move to different parts of the country without losing accrued benefits, access to military base privileges, and free use of military space available travel.

Establishing options for job sharing, couple recruitment, and other flexible work programs for Corps members.

Establishing a "respite squad" consisting of mid-career health professionals who would work in underserved areas on a short-term basis, such as 2 weeks or 1 day a month basis.

Establishing an independent recruitment program to recruit individuals, who are not participants in the NHSC scholarship or loan repayment program, to become Corps members.

Tracking and evaluating the incentive programs established to determine the effectiveness of such programs in increasing the participation of individuals in these programs.

Requiring the Secretary to evaluate the effectiveness of the programs providing grants to health professions institutions and fellowships in primary care for influencing the specialty choice and practice setting of program participants.

Requiring an annual report concerning the evaluations conducted to be submitted by March 1 of every even numbered year.

In addition, the Secretary is required to ensure that the administrative staff of the NHSC is adequate and appropriate to administer the programs established and operated under this Act, and the staff shall be increased as necessary to effectively administer the programs.

Section 6 authorizes the Secretary to develop and enter into contracts with individuals that provide a tailored package of financial assistance that could include both scholarship and loan repayment components, or award partial scholarships to individuals with financial circumstances that warrant less assistance that the program generally offered in the past.

Section 7 of the bill amends sections 338A(i) and 338B(i) of the PHS Act to require the Secretary to include in the annual report to Congress the effectiveness of maintaining or increasing the interest in and commitment of individuals in the scholarship and loan repayment programs to primary care and service to the medically underserved, and the retention rate of participants in the NHSC programs.

Section 8 provides for the part-time fulfillment of an NHSC service obligation by a 3rd year resident in-training with the approval of the residency training program's director. The bill permits the Secretary to allow individuals defaulting on an NHSC service obligation to partially fulfill their obligation through part-time service. Such service shall not supplant existing penalties.

Section 9 of the bill provides the Secretary with the authority to transfer funds between the scholarship and loan repayment programs as needed depending on the availability of applicants for the programs.

Section 10 requires the GAO to conduct a complete administrative review of the NHSC by no later than January 1, 1993.

Section 11 amends section 338(a) of the PHS Act authorizing NHSC appropriations of $65 million for FY 1991, and such sums as may be necessary for FY 1992–1994. The authorized sums are required to be at least 8 percent for nurses, nurse practitioners, certified nurse midwives, physicians assistants, psychologists, social workers, and other non-physician health care providers. Section 338G(b) is amended authorizing appropriations of such sums as may be necessary for the scholarship and loan repayment program, and requiring the Secretary to make available not less than 10 percent of the appropriated amount for each fiscal year for scholarships and loan repayment to non-physician health care providers. The bill amends section 338H requiring the Secretary to use such sums as may be necessary from amounts available under the appropriations for the loan repayment program to carry out the State program for physician and non-physician loan repayments. States are not prohibited from entering into multi-year contracts under this section.

Section 12 adds a new section to subpart III of part D of title III of the PHS Act that requires the Secretary to make grants to States to enable them to establish State Offices of Rural Health, or to assist existing State rural health offices to engage in the activities established by this section for such offices. States are required to provide an equal matching amount to the amount of the Federal grant. For assisting new rural health offices, during the first year of operation, the Secretary may modify the matching requirement so the State contribution can be lowered to an amount not less than $1 for each $3 of Federal funds provided.

State Offices of Rural Health are required to:

Provide leadership and advocacy for rural residents on rural health;

Coordinate the activities of the office with Federal, State, local, and private health entities, and with the rural development activities of the Agricultural Extension Service;

Make recommendations on improving the quality and cost effectiveness in the delivery of rural health;

Identify Federal and State programs regarding rural health, and provide technical assistance to public and nonprofit private entities participating in such programs;

Prepare and submit reports periodically to the Federal Office of Rural Health Policy concerning the activities of the State office; and

Communicate and cooperate with rural health research centers established by the Federal Office of Rural Health Policy established under section 301.

State Offices of Rural Health may also undertake any of the following optional activities to:

Assist rural areas in responding to changes in access to health care;

Plan and assist in the professional recruitment and retention of medical professionals and assistants in rural areas;

Improve community involvement in health care delivery through the methods including the conduct of leadership development programs for the members of the community;

Improve rural emergency medical services;

Improve access to health care in rural areas through innovative transportation and communication services;

Encourage the sharing of rural health care information;

Evaluate data on rural health conditions and needs; and

Provide technical assistance for rural hospital transition grants.

Representatives from each State Office of Rural Health that receives a grant made under this section shall meet annually with representatives of the Federal Office of Rural Health Policy to share information and coordinate strategies for improving quality and cost effectiveness in the delivery of rural health care. For FY 1991, the authorization of appropriations is $3.75 million; for FY 1992–1994, authority for the appropriation of such sums as may be necessary is provided.

Section 13 amends section 335(e)(1)(A) of the PHS Act adding the requirement that makes it unlawful for any hospital to deny an authorized health care professional member of the Corps admitting privileges, as long as the member otherwise is authorized by State law to have such privileges.

Section 14 amends section 395(a) of the PHS Act by expanding the number of grants for home health area demonstration projects from between 3 to 5 grants to States, to 10 to 50 grants to States or private entities. Appropriations are authorized for such sums as are necessary in each of the FY 1990–1992. At a specified time after enactment of the bill, the Secretary is required to submit a report to the appropriate Committees of Congress concerning the effectiveness of programs that receive grants under the Home Health Area Demonstration project.

Section 15 of the bill includes technical amendments that clarify the terms used in provisions of current law.

Section 16 amends various sections of the Uniformed Services Health Professions Revitalization Act of 1972, the PHS Act, the Social Security Act, the Comprehensive Health Manpower Training Act of 1971, and the Head Start Act to replace the term "HMSA" with "health professional shortage area."

Background and Need for the Legislation

The NHSC was created by the Emergency Health Personnel Act of 1970 (P.L. 91-623), as a voluntary program for improving the provision of health care in medically underserved areas of the country. The Emergency Health Personnel Act Amendments of 1972 (P.L. 92-585) changed the NHSC from an entirely voluntary program to one that offered scholarships support in exchange for service in designated HMSAs. The goal of the NHSC program was to improve the geographic distribution of needed health professionals.

In 1987, a new loan repayment program was established by P.L. 100-177. The loan repayment program offers up to $20,000 per year in educational loan repayments ($25,000 per year for service in an Indian Health Service site) for each year of service in an HMSA. In FY 1990, there were 100 participants in the NHSC loan repayment program.

The NHSC health care personnel provide health care services to persons in HMSAs through the placement of health professionals with service obligations in medically underserved geographic areas or to medically underserved populations (American Indians). For each year of tuition and stipend support received through the scholarship or loan repayment programs, NHSC recipients are obligated to serve 1 year in an HMSA, with a 2 year minimum service.

Health professionals may be assigned to NHSC sites either as Federally employed providers, as private practitioners under the private practice option (PPO), or in a private placement assignment (PPA). PPO providers are employed in non-grant funded settings which provide an income on a fee-for-service or salaried basis. PPA providers differ in that they have a guaranteed salary and are employed by an entity that receives grant support from the Community Health Center and/or Migrant Health Center programs.

Despite programmatic changes over the past two decades, the mission of the Corps remains the same: to improve the health care status of the medically underserved populations. Since its inception, the NHSC program has placed over 16,500 health care providers in communities that would otherwise have been without access to care. However, the NHSC program budget cuts throughout most of the 1980s have significantly reduced the number of health care practitioners available for placement in medically underserved communities.

The historical participation trend in the NHSC scholarship program illustrates the concern about the future direction of the program. The number of annual scholarships awards peaked at 3,150 in 1978, and rapidly declined in each year since. Only 60 new scholarships were awarded in 1988; no new scholarship awards were

made in FY 1989. The NHSC total field strength of physicians declined from 3,127 in 1986, to 1,920 in 1989. Since the NHSC loan repayment program was implemented in 1988, only 100 providers are participating in that program during FY 1990.

The Administration's rationale for cutting the NHSC program throughout the 1980s was based on physician manpower studies that predicted an imminent surplus of physicians. It was assumed that a physician surplus would force physicians to migrate to isolated rural communities and underserved inner-city areas. However, there is no evidence to suggest that physicians have been or will be compelled by competitive market forces to practice in medically underserved areas. The persistence of communities and populations without access to medical services and the dwindling numbers of NHSC health professionals available for placement in such areas has raised concern about the future role of the NHSC program.

The Department of Health and Human Services reported 1,944 primary care HMSAs as of December 31, 1988, and more than 4,000 physicians (including general practitioners, family practitioners, pediatricians, obstetricians, and internist) would be required to fill the primary care shortages. At the present time, the NHSC is placing providers in those manpower shortage areas with the highest priorities, but is not able to meet the needs of even this subset of HMSAs.

There is concern that even with projected increases in the supply of health professionals, certain areas will remain economically unattractive to health care providers. There is particular concern about the Indian Health Service's ability to recruit and retain adequate numbers of health professionals without increasing numbers of NHSC obligors. As a result, there is renewed interest in restoring the capacity of the NHSC to serve populations with limited access to health care.

TEXT OF THE BILL AS REPORTED

A BILL To amend the Public Health Service Act to make various improvements in existing scholarship and loan repayment programs, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "National Health Service Corps Revitalization Act of 1990".

SEC. 2. FINDINGS AND PURPOSE.

(a) FINDINGS.—Congress finds that—

(1) the mission of the National Health Service Corps is to improve access to health care services for medically underserved populations by addressing the geographic maldistribution of physicians and other health care personnel;

(2) over the years, more than 13,000 health care providers have been placed in communities that greatly needed their services with the peak field strength of the National Health Service Corps occurring in 1986 with 3,127 providers;

(3) the key contributor to this field strength were the individuals who had received medical school scholarships in return for a commitment to serve with such Corps;

(4) the number of scholarship awards by the National Health Service Corps peaked in 1979 when 2,380 were awarded;

(5) due to a planned phase out of the scholarship program combined with reductions in funding, the number of scholarships and commitments to serve in the Corps declined steadily throughout the 1980's, and between 1986 and 1989, the number of providers in place around the country declined by over 1,000;

(6) the cut back described in paragraph (5) was based on the theory that a physician surplus would drive physicians into underserved communities, but the anticipated overflow of physicians into underserved areas did not happen and many communities lost their sole provider of health services due to the cutback in this Federal program;

(7) inner city and rural communities face an especially serious deterioration in the availability of health services that has been greatly exacerbated by the decline in the strength of the Corps with the situation reaching a crisis level in some communities;

(8) as of December 1987, the Department of Health and Human Services had designated the following number of health personnel shortage areas—

(A) 786 dental shortage areas;

(B) 562 psychiatry shortage areas; and

(C) 1,944 primary care shortage areas;

(9) it would take more than 4,000 physicians to fill the primary care shortage areas and eliminate the designations referred to in paragraph (8);

(10) approximately 50 percent of the medically indigent population in the shortage areas reside in rural areas and rural areas constitute roughly 70 percent of the shortage area designations;

(11) in 1987, to begin to address the shortage created by the cuts in the scholarship program, a new loan repayment program for health professionals was established;

(12) the loan repayment program referred to in paragraph (11) was offered to doctors and nurses with the response making it clear that additional funds were needed for such program;

(13) the number of mid-level health practitioners, including nurse practitioners and physicians assistants, in underserved areas, and especially in rural areas, has increased significantly in recent years, and such practitioners have provided an important source of care when physician services are not available and have often been complementary to existing physician services;

(14) a mix of providers that include nurses, nurse practitioners, certified nurse midwives, physicians assistants, social workers, mental health workers, and physicians is needed in order to provide for the full range of services needed by underserved communities;

(15) though loan repayment may represent a useful incentive to bring such health personnel to underserved areas, scholarships are specially needed in order to successfully recruit nurses, certified nurse midwives, and nurse practitioners to serve in such areas; and

(16) due to the high turnover of health professionals in underserved areas, improved methods of retention are needed to keep existing National Health Service Corps personnel in underserved communities to which such personnel are assigned to serve.

(b) PURPOSE.—It is the purpose of this Act—

(1) to increase the supply of vital health professionals to urban and rural underserved health professional shortage areas;

(2) to halt proposals to phase out the National Health Service Corps scholarship program and to increase the number of scholarships and loan repayments for physicians and other providers to address the serious decline in the availability of health professionals in underserved areas; and

(3) to revitalize the National Health Service Corps by improving the recruitment and retention of providers and by diversifying the Corps so that it includes mid-level practitioners, social workers, and mental health professionals.

SEC. 3. PUBLICITY AND RECRUITMENT.

Section 338A(c)(2) of the Public Health Service Act (42 U.S.C. 254l(c)(2)) is amended by inserting before the period the following: ", including a statement of all factors considered in the selection of applicants and the assignment of corps members".

SEC. 4. SCHOLARSHIP AND LOAN REPAYMENT PROGRAM PRIORITIES.

(a) SCHOLARSHIP PROGRAM.—Section 338A(d) of the Public Health Service Act (42 U.S.C. 254l(d)) is amended—

(1) in paragraph (1), by striking out "and" at the end thereof;

(2) in paragraph (2)(C), by striking out the period and inserting in lieu thereof a semicolon; and

(3) by adding at the end thereof the following new paragraphs:

"(3) to applications from individuals who are legal residents of health manpower shortage areas or who, at the time of the submission of the application, reside in a health manpower shortage area;

"(4) to applications from disadvantaged individuals and minorities;

"(5) to applications from individuals who have demonstrated an interest in providing primary care service for the underserved through the participation of such individuals in clinical programs;

"(6) to applications from nurses, nurse midwives, nurse practitioners, physicians assistants, psychologists, social workers, and other mental health professionals; and

"(7) to applications from physicians in the primary care fields.".

(b) LOAN REPAYMENT PROGRAM.—Section 338B(d) of the Public Health Service Act (42 U.S.C. 254l-1(d)) is amended—

(1) in paragraph (1), by striking out "and" at the end thereof;

(2) in paragraph (2), by striking out the period and inserting in lieu thereof a semicolon; and

(3) by adding at the end thereof the following new paragraphs:

"(3) to applications from individuals who are legal residents of health manpower shortage areas or who, at the time of the submission of the application, reside in a health manpower shortage area;

"(4) to applications from disadvantaged individuals and minorities;

"(5) to applications from individuals who have demonstrated an interest in providing primary care service for the underserved through the participation of such individuals in clinical programs;

"(6) to applications from nurses, nurse midwives, nurse practitioners, physicians assistants, psychologists, social workers, and other mental health professionals; and

"(7) to applications from physicians in the primary care fields.".

SEC. 5. INCENTIVES AND ADMINISTRATIVE PROVISIONS.

Subpart III of part D of title III of the Public Health Service Act (42 U.S.C. 254l et seq.) is amended by adding at the end thereof the following new sections:

"SEC. 338K. INCENTIVES FOR RECRUITMENT AND RETENTION.

"(a) IN GENERAL.—The Secretary shall establish and implement a program of incentives, as described in subsection (b), to improve National Health Service Corps recruitment and retention.

"(b) INCENTIVES.—

"(1) PRIORITY SCHOOLS.—The Secretary shall give priority in the awarding of scholarships and loans to individuals who attend those schools and training programs that can demonstrate a record of success in training, or a comprehensive effort to train, individuals to enter primary care fields, and to serve underserved areas.

"(2) MATERIALS.—The Secretary shall distribute materials that encourage the financial aid offices of medical, nursing, graduate departments of psychology, and social work schools, primary care oriented medical school departments, and residency programs to inform all students and residents about the Scholarship and Loan Repayment Program.

"(3) STUDENT TRAINING AND EXTERNSHIP PROGRAM.—The Secretary shall make grants and enter into contracts with health professions institutions and public and private nonprofit entities for the conduct of programs that would expose and train health professions students throughout their academic careers to clinical settings administered by countries, States, or the Public Health Service that provide primary care services to medically underserved areas.

"(4) CAREER ADVISOR.—The Secretary shall appoint individuals to serve within the National Health Service Corps as career advisors to assist Corps members from the time such

members enter into a contract with the Corps until such members complete their obligation.

"(5) FELLOWSHIPS IN PRIMARY CARE.—The Secretary, in conjunction with eligible residency programs and other training programs, shall establish fellowship programs for physicians, nurse practitioners, nurse midwives, and physician assistants who have an interest and commitment to primary care, to enable such health professionals to gain exposure and expertise in the delivery of medical services to underserved populations in health professional shortage areas.

"(6) FACULTY APPOINTMENTS.—The Secretary shall encourage the provision of faculty appointments for Corps providers at health professional schools, to provide access for such providers, and the communities they serve, to university facilities and to make such providers a source of expertise for health professions students.

"(7) EXCHANGE PROGRAMS, ETC.—The Secretary shall establish exchange programs with teaching centers, leave time for professional conferences, sabbatical leave, and traveling medical consultation teams to increase opportunities for patient case presentations and discussions and research by Corps personnel.

"(8) COMMISSIONED CORPS.—The Secretary shall establish a program to provide Corps members the opportunity to join the Commissioned Corps of the United States Public Health Service and take advantage of membership privileges such as—

"(A) ability to move to different parts of the country without losing accrued benefits (such as pay status, saved vacation and sick leave, and acquired time toward retirement);

"(B) access to military base privileges (such as athletic facilities, commissary and exchange stores); and

"(C) free use of military space available travel.

"(9) JOB SHARING, ETC.—The Secretary shall establish options, such as job sharing and couple recruitment, and other flexible work programs for Corps members.

"(10) RESPITE SQUAD.—The Secretary shall establish a 'respite squad' that shall consist of mid-career health professionals who would work in underserved areas on a short-term basis, such as a two-week period or a one day a month basis.

"(11) INDEPENDENT RECRUITMENT.—The Secretary shall establish an independent recruitment program to recruit individuals, who are not participants in the Scholarship or Loan Repayment Programs, to become Corps members.

"(c) TRACKING AND EVALUATION.—

"(1) IN GENERAL.—The Secretary shall track and evaluate the incentive programs established under subsection (b), to determine the effectiveness of such programs in increasing the participation of individuals in the programs established under this part, and in the continuing participation of such individuals in such programs.

"(2) EFFECTIVENESS.—The Secretary shall evaluate the effectiveness of the programs established in paragraphs (3) and (5)

of subsection (b) in influencing the specialty choice and practice setting of program participants.

"(3) REPORTING.—Not later than March 1 of every even numbered year, the Secretary shall prepare and submit to the appropriate Committees of Congress, a report concerning the evaluations conducted under paragraphs (1) and (2).

"SEC. 338L. INCREASE IN STAFF.

"The Secretary shall ensure that the administrative staff of the National Health Service Corps is adequate and appropriate to administer the programs established and operated under this subpart. The Secretary shall increase such staff if such increase is necessary to effectively administer such programs.".

SEC. 6. CONTRACT FOR FINANCIAL ASSISTANCE.

(a) TECHNICAL AMENDMENT.—Section 338A(g)(1) of the Public Health Service Act (42 U.S.C. 254l-1(g)(1)) is amended in the material preceding subparagraph (A) by striking out "A scholarship" and inserting in lieu thereof "Except as provided for in paragraph (5), a scholarship".

(b) TERMS AND CONDITIONS.—Section 338A(g) of such Act (42 U.S.C. 254l) is amended by adding at the end thereof the following new paragraphs:

"(4) In developing a contract under this subsection, the Secretary is authorized to individually tailor a package of financial assistance that includes both scholarship components and loan repayment components.

"(5) Notwithstanding paragraph (1), the Secretary may award a partial scholarship to an individual with circumstances that warrant less financial assistance than the financial assistance provided under paragraph (1).

SEC. 7. TRACKING AND EVALUATION REQUIREMENTS.

(a) SCHOLARSHIP PROGRAM.—Section 338A(i) of the Public Health Service Act (42 U.S.C. 254l(i)) is amended—

(1) in paragraph (3), by striking out "and" at the end thereof;

(2) in paragraph (4), by striking out the period and inserting in lieu thereof "; and"; and

(3) by adding at the end thereof the following new paragraphs:

"(5) the effectiveness in maintaining or increasing the interest in and commitment of individuals participating in the Scholarship Program to primary care and service to the underserved; and

"(6) the retention rate of participants in the Scholarship Program.".

(b) LOAN REPAYMENT PROGRAM.—Section 338B(i) of such Act (42 U.S.C. 2541-1(i)) is amended—

(1) in paragraph (3), by striking out "and" at the end thereof;

(2) in paragraph (4), by striking out the period and inserting in lieu thereof "; and"; and

(3) by adding at the end thereof the following new paragraphs:

"(5) the effectiveness in maintaining or increasing the interest in and commitment of individuals participating in the Loan

Repayment Program to primary care and service to the underserved; and

"(6) the retention rate of participants in the Loan Repayment Program.".

SEC. 8. FULFILLMENT OF OBLIGATION.

(a) PART-TIME FULFILLMENT.—Section 338C(b)(5)(C) of the Public Health Service Act (42 U.S.C. 254m(b)(5)(C)) is amended—

(1) by striking out "No" and inserting in lieu thereof "(i) Except as provided in clause (ii), no";

(2) by inserting at the end thereof the following new clause:

"(ii) Notwithstanding clause (i), the Secretary may permit a resident in-training with the approval of the training program director, in the third year of residency to begin fulfilling a service obligation on a part-time basis, including providing services referred to in 338K(b)(9).".

(b) RESPITE SQUADS.—Section 338E(d) of such Act (42 U.S.C. 254o(d)) is amended by adding at the end thereof the following new paragraph:

"(4) If an individual defaults on an obligation under the Scholarship Program (or a contract thereunder) or the Loan Repayment Program (or a contract thereunder), the Secretary may permit such individual to partially fulfill such obligation through service. Such service shall not in a substantial way supplant the penalties referred to in section 338E.".

SEC. 9. TRANSFER OF FUNDS.

Section 338G of the Public Health Service Act (42 U.S.C. 254q) is amended by adding at the end thereof the following new subsection:

"(c) TRANSFER OF FUNDS.—The Secretary may transfer funds between the Scholarship Program and the Loan Repayment Program as needed due to the availability of applicants for such programs.".

SEC. 10. ADMINISTRATIVE REVIEW.

The Public Health Service Act (42 U.S.C. 201 et seq.) is amended by inserting after section 336A the following new section:

"SEC. 336B. ADMINISTRATIVE REVIEW.

"Not later than January 1, 1993, the General Accounting Office shall complete an administrative review of the Corps including the administration of the Scholarship Program and the Loan Repayment Program.".

SEC. 11. AUTHORIZATION OF APPROPRIATIONS.

(a) NATIONAL HEALTH SERVICE CORPS.—Section 338(a) of the Public Health Service Act (42 U.S.C. 254k(a)) is amended to read as follows:

"(a) To carry out this subpart and section 338K, there are authorized to be appropriated—$65,000,000 for fiscal year 1991, and such sums as may be necessary for each of the fiscal years 1992, 1993, and 1994, of which not less than 8 percent should be made available with respect to nurses, nurse practitioners, certified nurse midwives, physician assistants, psychologists, social workers, and other non-physician health providers.".

(b) SCHOLARSHIP AND LOAN REPAYMENT PROGRAM.—Section 338G(b) of such Act (42 U.S.C. 254q(b)) is amended to read as follows:

"(b) AUTHORIZATION OF APPROPRIATIONS.—

"(1) IN GENERAL.—There are authorized to be appropriated such sums as may be necessary for scholarships and loan repayments under this subpart.

"(2) SET-ASIDE.—Of the amount appropriated under paragraph (1) for each fiscal year, the Secretary shall make available not less than 10 percent for scholarships and loan repayments under this subpart with respect to nurses, nurse practitioners, nurse midwives, physician assistants, psychologists, social workers, and other non-physician health providers.".

(c) STATE PROGRAMS.—Subsection (d) of section 338H of such Act (42 U.S.C. 254q–1(d)) is amended to read as follows:

"(d)(1) The Secretary shall use such sums as may be necessary from amounts available under section 338G(b)(1) to carry out the physician loan repayment program, and such sums as may be necessary from the amounts available under section 338G(b)(2) for loan repayment for nurses, psychologists, social workers, and other health professionals.

"(2) Nothing in this section shall prohibit a State from entering into multiyear contracts under this section.".

SEC. 12. GRANTS TO STATES FOR OPERATION OF OFFICES OF RURAL HEALTH.

Subpart III of part D of title III of the Public Health Service Act (42 U.S.C. 254l et seq.) (as amended by section 5) is further amended by adding at the end thereof the following new section:

"SEC. 338M. STATE OFFICES OF RURAL HEALTH.

"(a) IN GENERAL.—The Secretary shall make grants to States in accordance with this section to enable such States to establish State Offices of Rural Health, or to assist existing State rural health offices, to engage in the activities described in subsection (d)(2).

"(b) AMOUNT OF GRANT.—

"(1) MAXIMUM AMOUNT.—The Secretary shall not make grants to a single State for a fiscal year under this section in an amount that is more than the quotient of the aggregate amount appropriated pursuant to subsection (g) for such fiscal year divided by the number of applications under subsection (f) that are approved for such fiscal year.

"(2) MATCHING REQUIREMENT.—Except as provided in paragraph (3), a State that receives a grant under this section shall provide an amount equal to the amount provided under such grant to establish, administer, or enhance the ongoing operations of the Office. Such amounts may be provided in cash or inkind.

"(3) EXCEPTION.—To assist in the establishment of new rural health offices, for the first year of operation of a State Office of Rural Health, the Secretary may modify the matching requirement under paragraph (2) to the extent that the State shall contribute not less than $1 for each $3 of Federal funds provided.

"(c) LIMITATION ON USE OF GRANT FOR RESEARCH ACTIVITIES.—Each State receiving a grant under this section shall not use in excess of 5 percent of the amounts provided under such grant for research activities.

"(d) STATE OFFICES OF RURAL HEALTH.—

"(1) ESTABLISHMENT.—Each State that receives a grant under this section may establish, or continue the operations of, the State Office of Rural Health in a State agency, or through contract with a public or private educational institution or other organization, or any combination of the preceding entities, as determined by the State.

"(2) ACTIVITIES.—

"(A) DUTIES.—Each State Office of Rural Health established or operated under a grant made under this section shall—

"(i) provide leadership and advocacy for rural residents with regard to rural health;

"(ii) coordinate the activities of such Offices with Federal, State, local, and private health entities, and with the rural development activities of, and cooperate with, the Agricultural Extension Service;

"(iii) make recommendations on improving the quality and cost effectiveness in the delivery of rural health care;

"(iv) identify Federal and State programs regarding rural health, and provide technical assistance to public and nonprofit private entities regarding participation in such programs;

"(v) prepare and submit reports periodically to the Office of Rural Health Policy concerning the activities of the office; and

"(vi) communicate and cooperate with rural health research centers established by the Federal Office of Rural Health Policy established under section 301.

"(B) OPTIONAL ACTIVITIES.—Each State Office of Rural Health established under a grant made under this section may—

"(i) assist rural areas in responding to changes in access to health care;

"(ii) plan and assist in the professional recruitment and retention of medical professionals and assistants in rural areas;

"(iii) improve community involvement in health care delivery through methods including the conduct of leadership development programs for the members of the community;

"(iv) improve rural emergency medical services;

"(v) improve access to health care in rural areas through innovative transportation and communications services;

"(vi) encourage the sharing of rural health care information;

"(vii) evaluate data on rural health conditions and needs; and

"(viii) provide technical assistance for rural hospital transition grants.

"(3) ANNUAL MEETINGS.—Representatives from each State Office of Rural Health that receives a grant made under this section shall meet annually with representatives from the Office of Rural Health Policy to share information and coordinate strategies for improving quality and cost effectiveness in the delivery of rural health care.

"(4) LIMITATION.—No amounts appropriated under subsection (g) shall be used for health planning uses of the type performed under title XV (as such title existed prior to January 1, 1987,) such as certificate of need programs.

"(e) STATE DEFINED.—As used in this section, the term 'State' means the 50 States.".

"(f) REQUIREMENT OF APPLICATION.—The Secretary shall not make a grant under subsection (a) unless an application for the grant is submitted to the Secretary and the application is in such form, made in such manner, and contains such agreements, assurances, and information as the Secretary determines necessary to carry out such subsection.

"(g) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section, $3,750,000, for fiscal year 1991, and such sums as may be necessary for each of the fiscal years 1992 through 1994.".

SEC. 13. ADMITTING PRIVILEGES OF HEALTH CARE PROFESSIONALS.

Section 335(e)(1)(A) of the Public Health Service Act (42 U.S.C. 354h(e)(1)(A)) is amended—

(1) by striking out "or dentist member" and inserting in lieu thereof ", dentist, or other health care professional member"; and

(2) by inserting ", is authorized by State law to have such privileges," after "granting such privileges".

SEC. 14. GRANTS FOR HOME HEALTH ARE DEMONSTRATION PROJECTS

(a) NUMBER OF GRANTS.—

(1) IN GENERAL.—Section 395(a) of the Public Health Service Act (42 U.S.C. 280c(a)) is amended by striking out "3, and not more than 5, grants to State" and inserting in lieu thereof "10, and not more than 50, grants to States or private entities.

(2) GRANTEES.—Section 395 of such Act (42 U.S.C. 280c) is amended by adding at the end thereof the following new subsection:

"(d) GRANTEES.—In making grants under subsection (a), the Secretary shall—

"(1) award five such grants to the grantees that received grants under such subsection as such subsection existed prior to July 1, 1989;

"(2) award not to exceed 50 percent of such remaining grants to private entities, who shall be considered in the same manner as a State for purposes of administering this subpart; and

"(3) award any remaining grants to States.".

(b) APPLICATION TO STATE CHIEF EXECUTIVE OFFICER.—Section 397(c) of the Public Health Service Act (42 U.S.C. 280c-2(c)) is amended—

(1) in paragraph (2), by striking out "and" at the end thereof

(2) by redesignating paragraph (3) as paragraph (4); and

(3) by inserting after paragraph (2), the following new paragraph:

"(3) include a certification that the applicant has provided he governor of the State in which the applicant resides with a copy of the application, and a certification that the governor of the State will submit comments to the Secretary concerning any such application at such time as the Secretary determines appropriate; and".

(c) AUTHORIZATION OF APPROPRIATIONS.—Section 397(e) of the Public Health Service Act (42 U.S.C. 280c-2(e)) is amended by striking out "$5,000,000 for each of the fiscal years 1988 through 1990" and inserting in lieu thereof "such sums as are necessary in each of the fiscal years 1991 through 1993".

(d) REPORT.—Not later than ———————— after the date of enactment of this Act, the Secretary of Health and Human Services shall prepare and submit, to the appropriate Committees of Congress, a report concerning the effectiveness of programs that receive assistance under the amendments made by this section with regards to the objectives of such programs. The Secretary shall not decrease the amounts appropriated to carry out this section to complete such report.

SEC. 15. TECHNICAL AMENDMENTS.

(a) ASSIGNMENT OF PERSONNEL.—Section 333(h) of the Public Health Service Act (42 U.S.C. 254f(h)) is amended—

(1) in paragraph (1), by inserting "(M.D. and D.O.)" after "physicians"; and

(2) in paragraph (2), by inserting ", payment," after "utilization".

(b) COST SHARING.—Section 334(f)(2)(B)(ii) of such Act (42 U.S.C. 254g(f)(2)(B)(ii)) is amended by inserting "payments or" after "third party".

(c) PROVISION OF HEALTH SERVICES.—Section 335 of the Public Health Service Act (42 U.S.C. 254h) is amended—

(1) in subsection (b)(1)(i)(U), by inserting "(M.D. and D.O.)" after "physicians";

(2) in subsection (c), by inserting "(M.D. and D.O.)" after "medical"; and

(3) in subsection (e)(1)(A), by inserting "(M.D. and D.O.)" after "physician".

(d) SCHOLARSHIP PROGRAM.—Section 338B of the Public Health Service Act (42 U.S.C. 254l-1) is amended—

(1) in subsection (b)(1), by inserting "nursing," after "dentistry,"; and

(2) in subsection (g)—

(A) by inserting "all" after "related expenses on" in paragraph (1);

(B) by striking out "may" in paragraph (3), and inserting in lieu thereof "shall"; and

(C) by striking out "or part" in paragraph (3).

SEC. 16. CONFORMING AMENDMENTS.

(a) UNIFORMED SERVICES HEALTH PROFESSIONS REVITALIZATION ACT OF 1972.— Section 2123(e) of title 10, United States Code, is amended by striking out "an area of health manpower shortage" and inserting in lieu thereof "a health professional shortage area".

(b) PUBLIC HEALTH SERVICE ACT.—

(1) Sections 303(d)(2)(B), 331, 333, 334, 335, 336(a), 336A, 338A, 338B, 338C, 338D, 338F(a)(1), 735, 741(f)(1)(C), 759(a), 781(a)(2)(B)(iii), and 822 of the Public Health Service Act (42 U.S.C. 242a(d)(2)(B), 254d, 254f, 254g, 254h, 254h-1(a), 254i, 254l, 254l-1, 254m, 254n, 254p(a)(1), 294h, 294n(f)(1)(C), 294aa(a), 295g-1(a)(2)(B)(iii), and 296m) are amended by striking out "health manpower shortage area" each place such appears and inserting in lieu thereof "health professional shortage area".

(2) Section 332 of the Public Health Service Act (42 U.S.C. 254e) is amended—

(A) by striking out the section heading and inserting in lieu thereof the following:

"DESIGNATION OF HEALTH PROFESSIONAL SHORTAGE AREAS";

and

(B) by striking out "health manpower shortage area" each place it appears and inserting in lieu thereof "health professional shortage area".

(c) SOCIAL SECURITY ACT.—The Social Security Act is amended—

(1) in section 1156(b)(5) (42 U.S.C. 1320c-5(b)(5)), by striking out "health manpower shortage area (HMSA)" and inserting in lieu thereof "health professional shortage area"; and

(2) in sections 1833(m), 1842(b)(4)(F), and 1861 (42 U.S.C. 1395l(m), 1395u(b)(4)(F), and 1395x), by striking out "health manpower shortage area" each place it appears and inserting in lieu thereof "health professional shortage area".

(d) COMPREHENSIVE HEALTH MANPOWER TRAINING ACT OF 1971.— Section 202 of the Comprehensive Health Manpower Training Act of 1971 (42 U.S.C. 3505d) is amended—

(1) by striking out the section heading and inserting in lieu thereof the following:

"NATIONAL HEALTH PROFESSIONAL SHORTAGE CLEARINGHOUSE";

and

(2) in subsection (a), by striking out "Manpower" and inserting in lieu thereof "Professional".

(e) HEAD START ACT.—Section 645(a)(2)(B) of the Head Start Act (42 U.S.C. 9840(a)(2)(B)) is amended by striking out "health manpower shortage area" and inserting in lieu thereof "health professional shortage area".

NATIONAL HEALTH SERVICE CORPS—COMMITTEE VIEWS

The Committee believes that rebuilding and revitalizing the Corps must be a high priority in order to address the ongoing problem of geographic maldistribution of physicians and primary

health care services. During the last decade, a near complete phase-out of the National Health Service Corps (NHSC) scholarship program compromised the ability of this program to meet the needs of rural and urban underserved areas around the country. As the scholarship program wound down, as the number of communities which relied on NHSC providers and which faced severe crisis-level access problems increased, the tide of opinion regarding the phase-out of the scholarship program reversed. There was a new concensus that the phase-out was an error. Congress halted the phase-out of the scholarship program in 1989 and increased its appropriation for fiscal year 1990.

The Committee seeks to contribute to rebuilding and revitalizing the National Health Service Corps. As part of that effort, there are a number of aspects of the Corps including its administration which should benefit from attention and are viewed by the Committee as deserving a high priority. These areas include the choice of individuals who serve in the Corps, the techniques used by the Corps to recruit these individuals, the conditions of employment and the benefits offered to the individuals who serve, and the special incentives for retention that may produce stability in many communities which face persistent turn-over. Also important are proper staffing of the Corps administration, flexibility to help support Corps program participants, better tracking and evaluation to determine the outcome of Corps programs, and a solid level of finanacial support for Corps programs. All of these areas are addressed by "The National Health Service Corps Revitalization Act."

The bill addresses an additional problem for rural states. Rural states and states with large rural areas often face additional problems in establishing access to basic health care services which require special administrative capacities. This bill provides assistance to states to establish or strengthen state offices of rural health for that purpose.

In addition, this piece of legislation changes the term "health manpower shortage area" or "HMSA" to "health professional shortage area" or "HPSA" throughout the Public Health Service Act and other portions of the U.S. Code where the term is found.

A high priority should be placed on attracting those individuals into the National Health Service Corps scholarship and loan repayment programs who are most likely to be committed to the needs of underserved areas and are most likely to remain in those areas in which they are placed. The Committee believes it is possible to reduce the revolving door phenomena which has been a feature of the Corps by finding individuals at the outset who are more likely to develop a long term commitment to those regions which need their services. If the Corps achieves better retention, resources could go farther and address a larger number of underserved areas. There is evidence that individuals who come from underserved areas are more likely to return to those areas at the completion of their medical training. Similarly, there is evidence that individuals who come from economically disadvantaged or minority backgrounds are also more likely to provide health care to the economically disadvantaged or to minorities at the completion of their med-

ical training. Priority for selection for the scholarship and loan repayment programs should go to such individuals.

Individuals who have demonstrated their interest in and commitment to such a mission by gaining a direct experience with such settings prior to or during their medical training also increase their odds of developing the long term commitment which is needed to help really solve the problem of maldistribution of basic health services. Priority should also go to primary care physicians because of the extensive role they are able to play in the delivery of health services to underserved populations.

An important component of the reinvigoration of the National Health Service Corps is the additional emphasis on the role of nurses and mid-level practitioners. Physicians are desparately needed in many areas. But there is also a great need for trained nurse, nurse practitioners, certified nurse midwives, physicians assistants, social workers and other non-physician health providers, particularly for the provision of primary health care services. Studies by the Office of Technology Assessment and the Institute of Medicine in the 1980's have demonstrated that mid-level providers are capable of delivering many services in their respective scopes of practice that are vital to primary care services. The continued loss of physicians who perform obstetrical deliveries because of the liability crisis makes the recruitment and utilization of nurse midwives particularly important.

The bill requires that not less than 10 percent of all scholarship and loan repayment funds and at least 8 percent of all field program funds appropriated be used to support nurses, certified nurse midwives, nurse practitioners, physician's assistants, social workers, psychologists, and other non-physician health providers. This provision appropriately recognizes the increasingly important role these mid-level providers are playing and can play in the care of Americans.

The Committee believes that the expanded role of these non-physician providers should be used to significantly expand access to primary health care services and guarantee a wide mix of providers that responds to the wide range of needs in every community. It will aslo serve to increase the total number of health care providers put into communities across the nation through the Corps and the number of Americans receiving health care services.

Because the addition of non-physician professionals to the Corps will be largely a departure from current practice, the Committee urges the Corps administration to notify communities of the availability of these professionals and attempt to assess the demand for them. This will provide guidance for planning the future growth of this non-physician, non-dentist segment of the Corps and of Congressional appropriations.

New incentives to recruit and retain physicians and other health professionals are also needed. The Committee has included in this legislation innovations which could increase the visibility and desirability of the Corps as a choice for medical and nursing students, and enhance the living and working conditions for providers in the Corps to make it a more viable long term career choice.

If there is a strong sense of mission and esprit de corps, people who identify with the goals of the NHSC will be motivated to join

and serve. The mission of the Corps, to improve the health care status of medically underserved populations, remains as strong today as it was in 1970 when the program started. Building a strong professional esprit de corps can be accomplished in a number of ways. It would help to consolidate scholarship recipients in academic institutions which already have a strong orientation to primary care and which devote time and space to preparing students for primary care careers and to meet the needs of rural and other underserved areas. Academic centers which have Family Practice Departments demonstrate this orientation. Family Practice Residency programs train primary care providers and have an excellent record of sending graduates to underserved urban and rural areas.

Students training and externship programs can provide exposure which prepares Corps members to take responsibility in their future practice sites or communities just like them helping to build their level of comfort with and commitment to those areas easing the transition for them. Fellowships which follow the principal period of training, but preceed fulfillment of the obligation itself, can also serve this purpose.

Individual career advisors can be an important route to maintaining contact with NHSC members throughout their training, keeping them informed of Corps activities and events at their future practice site. The career counselors can assist in the development of a professional Corps with members who proudly look forward to serving instead of viewing it as an obligation. This is especially important since the medical establishment discourages physicians-in-training from entering primary care fields.

Professional isolation is an important factor which works against improved retention of Corps members, especially in rural areas. Faculty appointments at medical/nursing schools would help to reduce this isolation and could provide access to university facilities with all of their practice advantages (referrals, consults, medical rounds, lectures, conferences, library and computer resources) and allow Corps providers to serve as role models in community medicine. These activities would help alieviate the geographic and professional isolation that practitioners feel in underserved areas. It is also important to provide activities through which they can feel proud of their area of expertise instead of outcasts from the medical community. Exchange programs with teaching centers can provide some of the same advantages, as can leave time to attend professional conferences and symposia. Traveling medical consultation teams to visit NHSC participant sites to provide NHSC members an opportunity to discuss patient cases is another option. Sabbatical for academic or other purposes could also help to build and maintain morale. These activities should help recruit and retain health care providers. These measure will also help reduce the problem of "burn-out."

Arrangements could also be made to provide respite services for established NHSC providers. Temporary providers could be a "respite squad" who would allow the permanent providers the opportunity to go on sabbatical; attend conferences, lectures, or seminars; or take a much needed vacation. This would be particularly helpful in rural areas where there is likely to be a solo practitioner with

large responsibilities. Professionals who either were NHSC members, were involved in serving the indigent other capacities, or have never worked with the medically needy before, but are interested, are excellent potential recruits for a respite squad. Mid-career professional may have many reasons for wanting to serve through the NHSC for a long term, or more likely, a short term commitment. This would be particularly appealing to those who have an interest in returning to an area of the country that they are originally from, or those who have a desire to see a new part of the country and learn about health care practices and needs in that area. For example, a practitioner who has worked in an urban setting all of his/her life might jump at the opportunity to experience clinical medicine in an Indian health care facility or a rural clinic health center that serves migrant farmers.

It is important to realize that adequate financial compensation is also essential to recruitment and retention in health professional shortage area. The opportunity to join the Commissioned Corps of teh US Public Health Service and be able to take advantage of the privileges that a member of the Uniformed Services is entitled would create new benefits to a career in the NHSC. These include moving to different parts of the country without losing accrued benefits, access to military base privileges, and use of free military space available travel.

Other incentives for retention which may meet people's needs and improve their quality of life include job sharing and couple recruitment or flex time.

In order to ensure the success of the revitalized NHSC program, these elements must be built in as an integral part of the program.

Some of the past problems with the National Health Service Corps program occurred because of inadequate numbers of administrative staff. The program expanded too quickly without taking into account the need for programming staff. At the same time that the program was seeing its peak number of scholars ready to enter the field, the program was understaffed.

In anticipation of this proposed revitilization of the NHSC, administrative adjustments must be made. A two or three fold increase in the number of administrative staff as well as the creation of new staff positions with new roles will be necessary. These adjustments are necessary in order to assure successful implementation of the revitalized NHSC. At the same time, the Committee is asking for a General Accounting Officer review of the program by 1993 to help the Corps identify any administrative and managerial deficiencies and recommend solutions.

Another criticism of the program has centered around its default rate. For a period of time this was considered to be a serious problem. There were many factors which contributed to scholars backing out of their obligation. The scholarship program required commitments from students too early in their training, before they had enough experience to judge what type of practice they were interested in. In addition, the Corps offered scholars little flexibility in their assignments.

Despite all of these problems, the default rate has recently been estimated by the NHSC to be 4%. Approximately 13% met their commitment through financial payback while the vast majority,

83%, of the 13,251 scholarship recipients repaid their obligation through service to millions of American people.

Penalties for default are substantial and, even with the advantage of increased flexibility, Corps members who do not repay their obligations will have penalties levied against them. In some cases, it may be worthwhile to the Corps to consider permitting selected defaulters to repay a portion of their default penalty through service. However, this mechanism should not be used as a substantial replacement of the Act's penalty provisions.

In order to support these innovations, substantial new funding will be required. The Committee envisions at least a doubling in funds for this program in the next fiscal year and a tripling in the year after. The authorization for the field program remains at $65 million because the current appropriation for this program is only $42 million. The Committee would like to see the appropriation rise to the full amount permitted by the authorization. The Committee has set aside no less than 8% of this funding for the support of non-physician professionals. Scholarship and loan program authorizations remain as drafted, essentially authorized in perpetuity. At least 10% of the funding for these programs should be devoted to support of non-physician health professionals. The Committee has recommended substantial increases in the appropriations for the scholarship and loan programs on a trajectory that will lead to a doubling of these programs in fiscal year 1991 and a tripling in fiscal year 1992.

Votes in Committee

S. 2617, the National Health Service Corps Revitalization Act of 1990, was voted out of Committee on May 16, 1990 by voice vote. The vote was unanimous.

Regulatory Impact Statement

This legislation is not expected to have any regulatory impact or impact on any regulatory agency.

State Offices of Rural Health

The Committee has added a new section to title III of the Public Health Service Act which creates a federal matching grant program to establish or enhance State Officers of Rural Health. These offices will assist states in developing coordinated approaches to improving access to quality health care in rural communities.

The Committee recognizes that solutions to rural health care delivery problems often come from local communities which often utilize a mix of loca, state, and federal resources in finding the right combination of services to meet their citizens' health care needs.

Therefore, it is important for each State to begin building its own infrastructure to facilitate coordinated approaches to rural health care problems. State Offices of Rural Health will concentrate on eliminating deficiencies in our rural health care delivery systems. They will have maximum flexibility to meet community needs within each State and will coordinate with other public and

private health professionals and agencies and with the Agricultural Extension Service.

While there are many groups within each state which have an interest in rural health, the Committee believes that it can be important to have an entity whose primary responsibility is to assist rural areas to develop and manage health services and systems.

The Committee stresses the fact that this legislation gives great flexibility as to how to organize these offices, whether within a state agency or through an educational institution or private contracting organization.

The offices have flexibility to vary their duties, as well, emphasizing different aspects of rural health care delivery that are especially important to its particular state. This legislation details key components that are necessary for every office of rural health but yet provides the flexibility needed to best serve each state.

These offices will also be helpful in improving federal rural health care efforts by providing guidance to Congress through the federal Office of Rural Health Policy as it tries to mold federal programs, initiatives, and policies which best supplement state rural health delivery systems.

Home Care Services in the Home Demonstration Program

The intent of this program is to demonstrate how the availability of community-wide home health care services can be expanded and coordinated. This program is helping thousands of disabled and chronically ill Americans, who are in need of in-home health services, to remain in their homes and out of institutions.

The Committee supports the continuation and expansion of this program. This is a time when issues surrounding long-term care are at the forefront of our national agenda, and this program is designed to provide us vital information about an alternative to institutionalized care. Home health care is a viable solution. This program is answering many technical questions such as: What type of services are needed? Who will deliver them? What are the costs? How can these services best be coordinated among community health care providers?

Under existing law, not less than 25 percent of the individuals who receive service under this program must be 65 years of age. There has been some concern that the 25 percent figure has been interpreted as a ceiling rather than a floor. The Committee does not view it as a ceiling. The Committee does not intend that grant applications which provide services exclusively to those over 65 be denied funding on this sole basis.

It is the Committee's intention for states that currently have grants under this program to continue to receive grants so long as they meet the requirements of the law. New entities that receive grants shall include states and private entities who meet the requirements of the Act and are able to provide the services required.

The Committee encourages the Secretary to provide for an evaluation of this program through a rigorous study to determine the effectiveness, cost, and impact of the program.

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, July 12, 1990.

Hon. EDWARD M. KENNEDY,
Chairman, Committee on Labor and Human Resources,
U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the attached cost estimate for S. 2617, the National Health Service Corps Revitalization Act of 1990, as ordered reported by the Senate Committee on Labor and Human Resources on May 16, 1990.

If you wish further details on this estimate, we will be pleased to provide them.

Sincerely,

ROBERT D. REISCHAUER,
Director.

Attachment

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

1. Bill number: S. 2617.

2. Bill title: National Health Service Corps Revitalization Act of 1990.

3. Bill status: As ordered reported by the Senate Committee on Labor and Human Resources on May 16, 1990.

4. Bill purpose: To amend the Public Health Service Act to make various improvements in existing scholarship and loan repayment programs, and for other purposes.

5. Estimated cost to the Federal Government:

[By fiscal years, in millions of dollars]

	1991	1992	1993	1994	1995
Estimated authorization levels:					
National Health Service Corps	65	68	70	73	.....
State offices of rural health	4	4	4	4	
Home health care grants	3	3	3	.....	.....
Report	(*)	.....	.....	.....	.....
Total estimated:					
Authorization levels	72	75	78	77	.....
Total estimated outlays	40	65	76	77	35

* Less than $500,000

Details in this table may not add to totals because of rounding. The costs of this bill fall within budget function 550.

Basis of Estimate

S. 2617 would reauthorize the National Health Service Corps (NHSC) field program at $65 million in fiscal year 1991 and such sums as may be necessary for fiscal years 1992 to 1994. CBO estimated the authorization levels for fiscal years 1992 to 1994 by increasing the 1991 authorization by projected inflation. The bill would also authorize such sums as may be necessary for the NHSC scholarship and loan repayment recruitment programs. Because

these programs have an indefinite such sums authorization in current law, no additional authorizations would occur as a result of the enactment of this legislation.

S. 2617 would authorize the Secretary of Health and Human Services (HHS) to grant funds to states to help them establish offices of rural health, or to assist existing state rural health offices. The bill provides $3.75 million for fiscal year 1991 and such sums as may be necessary in fiscal years 1992 to 1994. CBO estimated the authorization levels for fiscal years 1992 to 1994 by increasing the 1991 authorization by projected inflation.

The bill would reauthorize the home health care demonstration program at such sums as may be necessary for fiscal years 1991 to 1993. CBO estimated the authorization levels by increasing the 1990 appropriation for projected inflation. However, the 1990 appropriation was used to fund 5 demonstration projects. This bill would authorize the continuation of the 5 grants previously funded, and would authorize 5 to 45 new demonstration grants. If the Secretary of HHS awarded all 50 demonstration grants authorized by the bill, CBO estimates, based on the previous appropriations for the five demonstrations, that this provision could cost about $34 million in each of fiscal years 1991 to 1993.

The bill would authorize the Secretary of HHS to report to Congress on the effectiveness of programs that receive assistance from home health care demonstration grants. CBO estimates that this provision would cost less than $500,000 in fiscal year 1991.

This estimate assumes that all authorizations are fully appropriated at the beginning of each fiscal year. Outlays are estimated using spendout rates computed by CBO on the basis of recent program data.

6. Estimated cost to State and local government: States that receive grants to establish a new state office of rural health would have to contribute $1 for each $3 of federal funds provided for the first year of operation. States that receive grants to administer or enhance the ongoing operations of existing state offices of rural health would have to contribute $1 for each $1 of federal funds provided.

In addition, states receiving grants for home health care demonstrations would have to make available $25 for each $75 of federal funds in fiscal year 1991, $35 for each $65 of federal funds in 1992, and $45 for each $55 of federal funds in 1993.

7. Estimate comparison: None.

8. Previous CBO estimate: None.

9. Estimate prepared by: Karen Graham.

10. Estimate approved by: C.G. Nuckols for James L. Blum, Assistant Director for Budget Analysis.

Changes in Existing Law

In compliance with rule XXVI paragraph 12 of the Standing Rules of the Senate, the following provides a print of the statute or the part or section thereof to be amended or replaced (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

PUBLIC HEALTH SERVICE ACT

* * * * * * *

MENTAL HEALTH

SEC. 303. (a) * * *

* * * * * * *

(d)(1) * * *

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(B) in a [health manpower shortage area] *health professional shortage area* (as determined under subpart II of part D of this title), or

Subpart II—National Health Service Corps Program

NATIONAL HEALTH SERVICE CORPS

SEC. 331. (a) There is established, within the Service, the National Health Service Corps (hereinafter in this subpart referred to as the "Corps") which (1) shall consist of—

(A) such officers of the Regular and Reserve Corps of the Service as the Secretary may designate.

(B) such civilian employees of the United States as the Secretary may appoint, and

(C) such other individuals who are not employees of the United States,

(such officers, employees, and individuals hereinafter in this subpart referred to as "Corps members"), and (2) shall be utilized by the Secretary to improve the delivery of health services in [health manpower shortage areas] *health professionals shortage areas* as defined in section 332(a).

* * * * * * *

(c) The Secretary may reimburse applicants for positions in the Corps (including individuals considering entering into a written agreement pursuant to section 338D) for actual and reasonable expenses incurred in traveling to and from their places of residence to a [health manpower shortage area] *health professionals shortage area* (designated under section 332) in which they may be assigned for the purpose of evaluating such area with regard to being assigned in such area. The Secretary shall not reimburse an applicant for more than one such trip.

(d)(1) The Secretary may, under regulations promulgated by the Secretary, adjust the monthly pay of each member of the Corps (other than a member described in subsection (a)(1)(C)) who is directly engaged in the delivery of health services in a [health manpower shortage area] *health professionals shortage area* as follows:

* * * * * * *

(C) For each month in which a member is directly engaged in the delivery of health serevice in a [health manpower shortage area] *health professionals shortage area* in accordance with an agreement with the Secretary entered into under section 741(f)(1)(C), under which the Secretary is obligated to

make payments in accordance with section 741(f)(2), the amount of any monthly increase under subparagraph (A) or (B) with respect to such member shall be decreased by an amount equal to one-twelfth of the amount which the Secretary is obligated to pay upon the completion of the year of practice in which such month occurs.

* * * * * * *

(2) In the case of a member of the Corps who is directly engaged in the delivery of health services in a [health manpower shortage area] *health professionals shortage area* in accordance with a service obligation incurred under the Scholarship Program or the Loan Repayment Program, the adjustment in pay authorized by paragraph (1) may be made for such a member only upon satisfactory completion of such service obligation, and the first 36 months of such member's being so engaged in the delivery of health services shall, for purposes of paragraph (1)(A), be deemed to begin upon such satisfactory completion.

* * * * * * *

(e) Corps members assigned under section 333 to provide health services in [health manpower shortage areas] *health professional shortage areas*, shall not be counted against any employment ceiling affecting the Department.

* * * * * * *

(h) In assigning members of the Corps to [health manpower shortage areas,] *health professional shortage areas*, to the extent practicable, the Secretary shall—

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[DESIGNATION OF HEALTH MANPOWER SHORTAGE AREAS]

DESIGNATION OF HEALTH PROFESSIONAL SHORTAGE AREAS

SEC. 332. (a)(1) For pruposes of this subpart the term [''health manpower shortage area''] *''health professional shortage area,''* means (A) an area in an urban or rural area which need not conform [to the geographic boundaries of a political subdivision and which is a rational area for the delivery of health services) which the Secretary determines has a health manpower shortage, (B) a population group which the Secretary determines has such a shortage, or (C) a public or nonprofit private medical facility or other public facility which the Secretary determines has such a shortage. The Secretary shall not remove an area from the areas determined to be [health manpower shortage areas] *health professional shortage areas*, under subparagraph (A) of the preceding sentence until the Secretary has afforded interested persons and groups in such area an opportunity to provide data and information in support of the designation as a [health manpower shortage area] *health professional shortage area*, or a population group described in subparagraph (B) of such sentence or a facility described in subparagraph (C) of such sentence, and has made a determination on the basis of the data and information submitted by such persons and groups and other data and information available to the Secretary.

ASSIGNMENT OF CORPS PERSONNEL

SEC. 333. (a)(1) The Secretary may assign members of the Corps to provide, under regulations promulgated by the Secretary, health services in or to a [health manpower shortage area] *health professional shortage area* during the assignment period (specified in the agreement described in section 334) only if—

* * * * * * *

An application for assignment of a Corps member to a [health manpower shortage area] *health professional shortage area* shall include a demonstration by the applicant that the area or population group to be served by the applicant has a shortage of personal health services and that the Corps member will be located so that the member will provide services to the greatest number of persons residing in such area or included in such population group. Such a demonstration shall be made on the basis of the criteria prescribed by the Secretary under section 332(b) and on additional criteria which the Secretary shall prescribe to determine if the area or population group to be served by the applicant has a shortage of personal health services.

* * * * * * *

(b) The Secretary may not approve an application under this section for assignment of a Corps member to a [health manpower shortage area] *health professional shortage area* unless the Secretary has afforded—

* * * * * * *

(2) The Secretary may provide, to public and nonprofit private entities which are located in a [health manpower shortage area] *health professional shortage area* to which area a Corps member has been assigned, technical assistance to assist in the retention of such member in such area after the completion of such member's assignment to the area.

(3) The Secretary may provide, to [health manpower shortage areas] *health professional shortage areas* to which no Corps member has been assigned, (A) technical assistance to assist in the recruitment of health manpower for such areas, and (B) current information on public and private programs which provide assistance in the securing of health manpower.

(4)(A) The Secretary shall undertake to demonstrate the improvements that can be made in the assignment of members of the Corps to [health manpower shortage areas] *health professional shortage areas* and in the delivery of health care by Corps members in such areas through coordination with States, political subdivisions of States, agencies of States and political subdivisions, and other public and nonprofit private entities which have expertise in the planning, development, and operation of centers for the delivery of primary health care. In carrying out this subparagraph, the Secretary shall enter into agreements with qualified entities which provide that if—

(i) the entity places in effect a program for the planning, development, and operation of centers for the delivery of primary health care in [health manpower shortage areas] *health pro-*

fessional shortage areas which reasonably address the need for such care in such areas, and

* * * * * * *

(h) The Secretary may conduct, or enter into contracts for the conduct of studies of the methods of assignments of Corps members to [health manpower shortage areas.] *health professional shortage areas.* Such studies shall include studies of—

(1) the characteristics of physicians *(M.D. and D.O.)*, dentists, and other health professionals who are more likely to remain in practice in [health manpower shortage areas;] *health professional shortage areas;*

(2) the characteristics, including utilization, *payment*, and reimbursement patterns, of areas which have been able to retain health manpower personnel; and

(3) the appropriate conditions for the assignment and use of nurse practitioners, physician assistants, and expanded function dental auxiliaries, in [health manpower shortage areas.] *health professional shortage areas.*

* * * * * * *

COST SHARING

SEC. 334. (a) * * *

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(2) The Secretary may waive in whole or in part, on a prospective or retrospective basis, the application of the requirement of subsection (a)(3) for any entity which is not a small health center and which is located in a [health manpower shortage area] *health professional shortage area* in which a significant percentage of the individuals are elderly, living in poverty, or have other characteristics which indicate an inability to repay, in whole or in part, the amounts required in subsection (a)(3).

(3) In the event that the Secretary grants a waiver under paragraph (1) or (2), and does not, pursuant to paragraph (5), require payment by the entity in the amount described in subsection (f)(1), the entity shall be required to use the total amount of funds collected by such entity in accordance with subsection (a)(2) for the improvement of the capability of such entity to deliver health services to the individuals in, or served by, the [health manpower shortage area.] *health professional shortage area.*

* * * * * * *

(c) The excess (if any) of the amount of funds collected by an entity which is not a small health center in accordance with subsection (a)(2) over the amount paid to the United States in accordance with subsection (a)(3) or subsection (b)(5)(A) shall be used by the entity to expand and improve the provision of health services to the individuals in the [health manpower shortage area] *health professional shortage area* for which the entity submitted an application or to recruit and retain health manpower to provide health services for such individuals.

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(B) From the submission under subparagraph (A) and other information available to the Secretary, the Secretary shall determine—

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(ii) the fees, premiums, third party *payments or* reimbursements, and other revenues the entity making the submission may reasonably expect to receive from the provision of such services; and

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(4) The excess (if any) of the amount of funds collected by an entity which is a small health center in accordance with subsection (a)(2) over the amount paid to the United States in accordance with paragraph (1) of this subsection shall be used by the center for the purposes set out in subparagraphs (A) through (E) of paragraph (3) of this subsection or to recruit and retain health manpower to provide health services to the individuals in the [health manpower shortage area] *health professional shortage area* for which the entity submitted an application.

PROVISION OF HEALTH SERVICES BY CORPS MEMBERS

SEC. 335. (a) In providing health services in a [health manpower shortage area,] *health professional shortage area,* Corps members shall utilize the techniques, facilities, and organizational forms most appropriate for the area, population group, medical facility, or other public facility, and shall, to the maximum extent feasible, provide such services (1) to all individuals in, or served by, such *health professional shortage area* [health manpower shortage area] regardless of their ability to pay for the services and (2) in a manner which is cooperative with other health care providers serving such [health manpower shortage area.] *health professional shortage area.*

(b)(1) Notwithstanding any other provision of law, the Secretary may (A) to the maximum extent feasible make such arrangements as he determines necessary to enable Corps members to utilize the health facilities in or serving the [health manpower shortage area] *health professional shortage area* in providing health services; (B) make such arrangements as he determines are necessary for the use of equipment and supplies of the Service and for the lease or acquisition of other equipment and supplies; and (C) secure the permanent or temporary services of physicians (*M.D. and D.O.*), dentists, nurses, administrators, and other health personnel. If there are no health facilities in or serving such area, the Secretary may arrange to have Corps members provide health services in the nearest health facilities of the Service or may lease or otherwise provide facilities in or serving such area for the provision of health services.

(2) If the individuals in or served by a [health manpower shortage area] *health professional shortage area* are being served (as determined under regulations of the Secretary) by a hospital or other health care delivery facility of the Service, the Secretary may, in addition to such other arrangements as he may make under paragraph (1), arrange for the utilization of such hospital or facility by Corps members in providing health services, but only to the extent

that such utilization will not impair the delivery of health services and treatment through such hospital or facility to individuals who are entitled to health services and treatment through such hospital or facility.

(c) The Secretary may make one loan to any entity with an approved application under section 333 to assist such entity in meeting the costs of (1) establishing medical (*M.D. and D.O.*), dental, or other health profession practices, including the development of medical practice management systems; (2) acquiring equipment for use in providing health services; and (3) renovating buildings to establish health facilities. No loan may be made under this subsection unless an application therefor is submitted to, and approved by, the Secretary. The amount of any such loan shall be determined by the Secretary, except that no such loan may exceed $50,000.

(d) Upon the expiration of the assignment of all Corps members to a [health manpower shortage area,] *health professional shortage area,* the Secretary may (notwithstanding any other provision of law) sell, to any appropriate local entity, equipment and other property of the United States utilized by such members in providing health services. Sales made under this subsection shall be made at the fair market value (as determined by the Secretary) of the equipment of such other property; except that the Secretary may make such sales for a lesser value to an appropriate local entity, if he determines that the entity is financially unable to pay the full market value.

(e)(1)(A) It shall be unlawful for any hospital to deny an authorized physician (*M.D. and D.O.*) or dentist member of the Corps admitting privileges when such Corps member otherwise meets the professional qualifications established by the hospital for granting such privileges and agrees to abide by the published bylaws of the hospital and the published bylaws, rules, and regulations of its medical staff.

* * * * * * *

PREPARATION FOR PRACTICE

SEC. 336. (a) The Secretary may make grants to and enter into contracts with public and private nonprofit entities for the conduct of programs which are designed to prepare individuals subject to a service obligation under the National Health Service Corps Scholarship Program or Loan Repayment Program to effectively provide health services in the [health manpower shortage area] *health professional shortage areas* to which they are assigned.

* * * * * * *

ANNUAL REPORTS

SEC. 336A. * * *

* * * * * * *

(1) the number, identity, and priority of all [health manpower shortage areas] *health professional shortage areas* designated in such year and the number of [health manpower short-

age areas] *health professional shortage areas* which the Secretary estimates will be designated in the subsequent year;

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(5) the number of patients seen and the number of patient visits recorded during such year with respect to each [health manpower shortage area] *health professional shortage areas* to which a Corps member was assigned during such year;

(6) the number of Corps members who elected, and the number of Corps members who did not elect, to continue to provide health services in [health manpower shortage areas] *health professional shortage areas* after termination of their service in the Corps and the reasons (as reported to the Secretary) of members who did not elect for not making such election;

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SEC. 336B. ADMINISTRATIVE REVIEW.

Not later than January 1, 1993, the General Accounting Office shall complete an administrative review of the Corps including the administration of the Scholarship Program and the Loan Repayment Program.

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AUTHORIZATION OF APPROPRIATION

SEC. 338. [(a) To carry out this subpart, there are authorized to be appropriated $65,000,000 for fiscal year 1988, $65,000,000 for fiscal year 1989, and $65,000,000 for fiscal year 1990.] *(a) To carry out this subpart and section 338K, there are authorized to be appropriated—*

(1) $65,000,000 for fiscal year 1991, and such sums as may be necessary for each of the fiscal years 1992, 1993, and 1994 of which not less than 8 percent should be made available with respect to nurses, nurse practitioners, certified nurse midwives, physician assistants, psychologists, social workers, and other non-physician health providers.

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NATIONAL HEALTH SERVICE CORPS SCHOLARSHIP PROGRAM

SEC. 338A. (a) * * *

* * * * * * *

(b) * * *

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(4) sign and submit to the Secretary, at the time of submittal of such application, a written contract (described in subsection (f)) to accept payment of a scholarship and to serve (in accordance with this subpart) for the applicable period of obligated service in a [health manpower shortage area.] *health professional shortage areas.*

* * * * * * *

(c) In disseminating application forms and contract forms to individuals desiring to participate in the Scholarship Program, the Secretary shall include with such forms—

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(2) information respecting meeting a service obligation through private practice under an agreement under section 338C and such other information as may be necessary for the individual to understand the individual's prospective participation in the Scholarship Program and service in the Corps, *including a statement of all factors considered in the selection of applicants and the assignment of Corps members.*

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(d) In determining which applications under the Scholarship Program to approve (and which contracts to accept), the Secretary shall give priority—

(1) first, to applications made (and contracts submitted) by individuals who have previously received scholarships under the Scholarship Program or under section 758 [and]

(2) second, to applications made (and contracts submitted)—

(A) for the school year beginning in calendar year 1978, by individuals who are entering their first, second, or third year of study in a course of study or program described in subsection (b)(1)(B) in such school year;

(B) for the school year beginning in calendar year 1979, by individuals who are entering their first or second year of study in a course of study or program described in subsection (b)(1)(B) in such school year; and

(C) for each school year thereafter, by individuals who are entering their first year of study in a course of study or program described in subsection (b)(1)(B) in such school year[.];

(3) to applications from individuals who are legal residents of health manpower shortage areas or who, at the time of the submission of the application, reside in a health manpower shortage area;

(4) to applications from disadvantaged individuals and minorities;

(5) to applications from individuals who have demonstrated an interest in providing primary care service for the underserved through the participation of such individuals in clinical programs;

(6) to applications from nurses, nurse midwives, nurse practitioners, physicians assistants, psychologists, social workers, and other mental health professionals; and

(7) to applications from physicians in the primary care fields.

* * * * * * *

(g)(1) [A scholarship] *Except as provided for in paragraph (5), a scholarship* provided to a student for a school year under a written contract under the Scholarship Program shall consist of—

* * * * * * *

(4) In developing a contract under this subsection, the Secretary is authorized to individually tailor a package of financial assistance that includes both scholarship components and loan repayment components.

(5) Notwithstanding paragraph (1), the Secretary may award a partial scholarship to an individual with circumstances that warrant less financial assistance than the financial assistance provided under paragraph (1).

* * * * * * *

(i) The Secretary shall report to Congress on March 1 of each year—

* * * * * * *

(3) the number of applications filed under this section in the school year beginning in such year and in prior school years; [and]

(4) the amount of tuition paid in the aggregate and at each educational institution for the school year beginning in such year and for prior school years[.];

(5) the effectiveness in maintaining or increasing the interest in and commitment of individuals participating in the Scholarship Program to primary care and service to the underserved; and

(6) the retention rate of participants in the Scholarship Program.

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SEC. 338B. NATIONAL HEALTH SERVICE CORPS LOAN REPAYMENT PROGRAM.

(a) * * *

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(b) ELIGIBILITY. To be eligible to participate in the Loan Repayment Program, an individual must—

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(II) in the final year of a course of study or program, offered by such institution and approved by the Secretary, leading to a degree in medicine, osteopathy, dentistry, *nursing,* or other health professions: or

* * * * * * *

(4) sign and submit to the Secretary, at the time of the submission of such application, a written contract (described in subsection (f)) to accept repayment of educational loans and to serve (in accordance with this subpart) for the applicalbe period of obligated service in a [health-manpower shortage area.] *health professional shortage area.*

* * * * * * *

(d) PRIORITY.—In determining which applications under the Loan Repayment Program to approve (and which contracts to accept), the Secretary shall give priority to applications made by—

(1) individuals whose training is in a health profession or specialty determined by the Secretary to be needed by the Corps; [and]

(2) individuals who are committed to service in medically underserved areas[.];

(3) to applications from individuals who are legal residents of health manpower shortage areas or who, at the time of the submission of the application, reside in a health manpower shortage area;

(4) to applications from disadvantaged individuals and minorities;

(5) to applications from individuals who have demonstrated an interest in providing primary care service for the underserved through the participation of such individuals in clinical programs;

(6) to applications from nurses, nurse midwives, nurse practitioners, physicians assistants, social workers, and psychologists; and

(7) to applications from physicians in the primary care fields.

* * * * * * *

(g) PAYMENTS.—

(1) IN GENERAL.—A loan repayment provided for an individual under a written contract under the Loan Repayment Program shall consist of payment in accordance with paragraph (2), on behalf of the individual of the principal interest, and *all* related expenses on government and commercial loans received by the individual for—

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(3) TAX LIABILITY.—In addition to payments made under paragraph (2), in any case in which payments on behalf of an individual under the Loan Repayment Program result in an increase in Federal, State, or local income tax liability for such individual, the Secretary [may] *shall* on the request of such individual, make payments to such individual in a reasonable amount, as determined by the Secretary, to reimburse such individual for all [or part] of the increased tax liability of the individual.

* * * * * * *

(i) REPORTS.—The Secretary shall, not later than March 1 of each year, submit to the Congress a report specifying—

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(3) the number of applications filed under this section in the school year beginning in such year and in prior school years; [and]

(4) the amount of loan payments made in the year reported on[.];

(5) the effectiveness in maintaining or increasing the interest in and commitment of individuals participating in the Loan Repayment Program to primary care and service to the underserved; and

(6) the retention rate of participants in the Loan Repayment Program.

OBLIGATED SERVICE

SEC. 338C. (a) * * *

* * * * * * *

(C) [No] *(i) Except as provided in clause (ii), no* period of internship, residency, or other advanced clinical training shall be counted toward satisfying a period of obligated service under this subpart.

(ii) Notwithstanding clause (i), the Secretary may permit a resident in-training with the approval of the training program director, in the third year of residency to begin fulfilling a service obligation on a part-time basis, including providing services referred to in 338K(b)(9).

* * * * * * *

(d) The Secretary shall assign individuals performing obligated service in accordance with a written contract under the Scholarship Program to [health manpower shortage areas] *health professional shortage areas* in accordance with sections 331 through 335 and sections 337 and 338. If the Secretary determines that there is no need in a [health manpower shortage area] *health professional shortage area* (designated under section 332) for a member of the profession in which an individual is obligated to provide service under a written contract and if such individual is an officer in the Service or a civilian employee of the United States, the Secretary may detail such individual to serve this period of obligated service as a full-time member of such profession in such unit of the Department of the Secretary may determine.

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PRIVATE PRACTICE

SEC. 338D. (a) * * *

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(1) in the case of an individual who received a scholarship under the Scholarship Program or a loan repayment under the Loan Repayment Program and who is performing obligated service as a member of the Corps in a [health manpower shortage area] *health professional shortage area* on the date of his application for such a release in the [health manpower shortage area] *health professional shortage area* in which such individual is serving on such date or in the case of an individual for whom a loan payment was made under the Loan Repayment program and who is performing obligated service as a member of the Corps in a [health manpower shortage area] *health professional shortage area* on the date of the applicaton of the individual for such a release in the [health manpower shortage area] *health professional shortage area* selected by the Secretary or

(2) in the case of any other individual in a [health manpower shortage area] *health professional shortage area* (designated under section 332) selected by the Secretary.

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BREACH OF SCHOLARSHIP CONTRACT OR LOAN REPAYMENT CONTRACT

SEC. 338E. (a)(1) * * *

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(4) If an individual defaults on an obligation under the Scholarship Program (or a contract thereunder) or the Loan Repayment Program (or a contract thereunder), the Secretary may permit such individual to partially fulfill such obligation through service. Such service shall not in a substantial way supplant the penalties referred to in section 338E.

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SPECIAL LOANS FOR FORMER CORPS MEMBERS TO ENTER PRIVATE PRACTICE

SEC. 338F. (a) * * *

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(1) to engage in the private full-time clinical practice of the profession of the member in a [health manpower shortage area] *health professional shortage area* (designated under section 332) for a period of not less than 2 years which—

* * * * * * *

SEC. 332G. REPORT AND AUTHORIZATON OF APPROPRIATIONS.

(a) * * *

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[(b) AUTHORIZATION ON APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary for scholarships and loan repayments under this subpart.]

(b) AUTHORIZATION OF APPROPRIATIONS.—

(1) IN GENERAL.—There are authorized to be appropriated such sums as may be necessary for scholarships and loan repayment under this subpart.

(2) SET-ASIDE.—Of the amount appropriated under paragraph (1) for each fiscal year, the Secretary shall make available not less than 10 percent for scholarships and loan repayments under this subpart with respect to nurses, nurse practitioners, nurse midwives, physician assistants, social workers, and other non-physician health providers.

(c) TRANSFER OF FUNDS.—The Secretary may transfer funds between the Scholarship Program and the Loan Repayment Program as needed due to the availability of applicants for such programs.

* * * * * * *

SEC. 338H. STATE PROGRAMS.

(a) GRANTS.—* * *

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[(d) AUTHORIZATION OF APPROPRIATIONS.—To carry out this section, there are authorized to be appropriated $1,000,000 for fiscal year 1988 and such sums as may be necessary for each of the fiscal years 1989 and 1990.]

(d)(1) Nothing shall prohibit a State from entering into multiyear contracts.

(2) The Secretary shall use such sums as may be necessary from amounts available under section 338G(b)(1) to carry out the physician loan repayment program, and such sums as may be necessary from the amounts available under section 338G(b)(2) for loan repayment for nurses, psychologists, social workers, and other health professionals.

* * * * * * *

SEC. 338K. INCENTIVES FOR RECRUITMENT AND RETENTION.

(a) IN GENERAL.—The Secretary shall establish and implement a program of incentives, as described in subsection (b), to improve National Health Service Corps recruitment and retention.

(b) INCENTIVES.—

(1) PRIORITY SCHOOLS.—The Secretary shall give priority in the awarding of scholarships and loans to individuals who attend those schools and training programs that can demonstrate a record of success in training, or a comprehensive effort to train, individuals to enter primary care fields, and to serve underserved areas.

(2) MATERIALS.—The Secretary shall distribute materials that encourage the financial aid offices of medical, nursing, graduate departments of psychology, social work schools, primary care oriented medical school departments, and residency programs to inform all students and residents about the Scholarship and Loan Repayment Program.

(3) STUDENT TRAINING AND EXTERNSHIP PROGRAM.—The Secretary shall make grants and enter into contracts with health professions institutions and public and private nonprofit entities for the conduct of programs that would expose and train health professions students throughout their academic careers to clinical settings administered by countries, States, or the Public Health Service that provide primary care services to medically underserved areas.

(4) CAREER ADVISOR.—The Secretary shall appoint individuals to serve within the National Health Service Corps as career advisors to assist Corps members from the time such members enter into a contract witn the Corps until such members complete their obligation.

(5) FELLOWSHIPS IN PRIMARY CARE.—The Secretary, in conjunciton with eligible residency programs and other training programs, shall establish fellowship programs for physicians, nurse practitioners, nurse midwives, and physician assistants who have an interest and commitment to primary care, to enable such health professionals to gain exposure and expertise in the delivery of medical services to underserved populations in health professional shortage areas.

(6) FACULTY APPOINTMENTS.—The Secretary shall encourage the provision of faculty appointments for Corps providers at

health professional schools, to provide access for such providers, and the communities they serve, to university facilities and to make such providers a source of expertise for health professions students.

(7) EXCHANGE PROGRAMS, ETC.—The Secretary shall establish exchange programs with teaching centers, leave time for professional conferences, sabbatical leave, and traveling medical consultation teams to increase opportunities for patient case presentations and discussions and research by Corps personnel.

(8) COMMISSIONED CORPS.—The Secretary shall establish a program to provide Corps members the opportunity to join the Commissioned Corps of the United States Public Health Service and take advantage of membership privileges such as—

(A) ability to move to different parts of the country without losing accrued benefits (such as pay status, saved vacation and sick leave, and acquired time toward retirement);

(B) access to military base privileges (such as athletic facilities, commissary and exchange stores); and

(C) free use of military space available travel.

(9) JOB SHARING, ETC.—The Secretary shall establish options, such as job sharing and couple recruitment, and other flexible work programs for Corps members.

(10) RESPITE SQUAD.—The Secretary shall establish a 'respite squad' that shall consist of mid-career health professionals who would work in underserved areas on a short-term basis, such as a two-week period or a one day a month basis.

(11) INDEPENDENT RECRUITMENT.—The Secretary shall establish an independent recruitment program to recruit individuals, who are not participants in the Scholarship or Loan Repayment Programs, to become Corps members.

(c) TRACKING AND EVALUATION.—

(1) IN GENERAL.—The Secretary shall track and evaluate the incentive programs established under subsection (b), to determine the effectiveness of such programs in increasing the participation of individuals in the programs established under this part, and in the continuing participation of such individuals in such programs.

(2) EFFECTIVENESS.—The Secretary shall evaluate the effectiveness of the programs established in paragraphs (3) and (5) of subsection (b) in influencing the specialty choice and practice setting of program participants.

(3) REPORTING.—Not later than March 1 of every even numbered year, the Secretary shall prepare and submit to the appropriate Committees of Congress, a report concerning the evaluations conducted under paragraphs (1) and (2).

SEC. 338L. INCREASE IN STAFF.

The Secretary shall ensure that the administrative staff of the National Health Corps is adequate and appropriate to administer the programs established and operated under this subpart. The Secretary shall increase such staff if such increase is necessary to effectively administer such programs.

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SEC. 338M. STATE OFFICES OF RURAL HEALTH.

(a) IN GENERAL.—The Secretary shall make grants to States in accordance with this section to enable such States to establish State Offices of Rural Health, or to assist existing State rural health offices, to engage in the activities described in subsection (d)(2).

(b) AMOUNT OF GRANT.—

(1) MAXIMUM AMOUNT.—The Secretary shall not make grants to a single State for a fiscal year under this section in an amount that is more than the quotient of the aggregate amount appropriated pursuant to subsection (g) for such fiscal year divided by the number of applications under subsection (f) that are approved for such fiscal year.

(2) MATCHING REQUIREMENT.—Except as provided in paragraph (3), a State that receives a grant under this section shall provide an amount equal to the amount provided under such grant to establish, administer, or enhance the ongoing operations of the Office. Such amounts may be provided in cash or in-kind.

(3) EXCEPTION.—To assist in the establishment of new rural health offices, for the first year of operation of a State Office of Rural Health, the Secretary may modify the matching requirement under paragraph (2) to the extent that the State shall contribute not less than $1 for each $3 of Federal funds provided.

(c) LIMITATION ON USE OF GRANT FOR RESEARCH ACTIVITIES.—Each State receiving a grant under this section shall not use in excess of 5 percent of the amounts provided under such grant for research activities.

(d) STATE OFFICES OF RURAL HEALTH.—

(1) ESTABLISHMENT.—Each State that receives a grant under this section may establish, or continue the operations of, the State Office of Rural Health in a State agency, or through contract with a public or private educational institution or other organization, or any combination of the preceding entities, as determined by the State.

(2) ACTIVITIES.—

(A) DUTIES.—Each State Office of Rural Health established or operated under a grant made under this section shall—

(i) provide leadership and advocacy for rural residents with regard to rural health;

(ii) coordinate the activities of such Offices with Federal, State, local and private health entities, and with the rural development activities of, and cooperate with, the Agricultural Extension Service;

(iii) make recommendations on improving the quality and cost effectiveness in the delivery of rural health care;

(iv) identify Federal and State programs regarding rural health, and provide technical assistance to public and nonprofit private entities regarding participation in such programs;

(v) prepare and submit reports periodically to the Office of Rural Health Policy concerning the activities of the office; and

(vi) communicate and cooperate with rural health research centers established by the Federal Office of Rural Health Policy established under section 301.

(B) OPTIONAL ACTIVITIES.—Each State Office of Rural Health established under a grant made under this section may—

(i) assist rural areas in responding to changes in access to health care;

(ii) plan and assist in the professional recruitment and retention of medical professionals and assistants in rural areas;

(iii) improve community involvement in health care delivery through methods including the conduct of leadership development programs for the members of the community;

(iv) improve rural emergency medical services;

(v) improve access to health care in rural areas through innovative transportation and communications services;

(vi) encourage the sharing of rural health care information;

(vii) evaluate data on rural health conditions and needs; and

(viii) provide technical assistance for rural hospital transition grants.

(3) ANNUAL MEETINGS.—Representatives from each State Office of Rural Health that receives a grant made under this section shall meet annually with representatives from the Office of Rural Health Policy to share information and coordinate strategies for improving quality and cost effectiveness in the delivery of rural health care.

(4) LIMITATION.—No amounts appropriated under subsection (g) shall be used for health planning uses of the type performed under title XV (as such title existed prior to January 1, 1987,) such as certificate of need programs.

(e) STATE DEFINED.—As used in this section, the term "State" means the 50 States.

(f) REQUIREMENT OF APPLICATION.—The Secretary shall not make a grant under subsection (a) unless an application for the grant is submitted to the Secretary and the application is in such form, made in such manner, and contains such agreements, assurances, and information as the Secretary determines necessary to carry out such subsection.

(g) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section, $3,750,000, for fiscal year 1991, and such sums as may be necessary for each of the fiscal years 1992 through 1994.

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POWERS AND RESPONSIBILITIES

SEC. 735. (a) * * *

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(c)(1) The Secretary may enter into a written contract with a borrower under which the Secretary agrees to assume the obligations of paying an amount, not to exceed $10,000 in any 12-month period, toward the principal and interest due on any loan made to the borrower and insured under this subpart and the borrower agrees to serve, either as a member of the National Health Service Corps or in private practice pursuant to section 338C (as determined by the Secretary), in a [health manpower shortage area,] *health professional shortage area* (designated under section 332) which is described in section 338C(a)(2) for a continuous period of (A) not less than 12 months for each 12-month period the Secretary assumes such obligation under the agreement, or (B) 24 months, whichever is greater.

(2) Except as provided in paragraphs (3) and (4), if an individual, who has entered into a written contract under paragraph (1), for any reason breaches his contract obligations with respect to serving in a [health manpower shortage area] *health professional shortage area* for the period specified in the contract, the United States shall be entitled to recover damages from such individual in an amount determined in accordance with the formula

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LOAN PROVISIONS

SEC. 741. (a) * * *

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(f)(1) In the case of any individual—

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(C) who enters into an agreement with the Secretary to practice his profession (as a member of the National Health Service Corps or otherwise) for a period of at least two years in an area in a State in a [health manpower shortage area] *health professional shortage area* designated under section 332;

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LISTER HILL SCHOLARSHIP PROGRAM

SEC. 759. (a) The Secretary annually shall make grants to at least 10 individuals (to be known as Lister Hill scholars) for scholarships of up to $8,000 per year for up to four years of medical school if such individuals agree to enter into the family practice of medicine in a [health manpower shortage area] *health professional shortage area* in accordance with this section. Grants made under this section shall be made only from funds appropriated under subsection (b).

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AREA HEALTH EDUCATION CENTERS

SEC. 781 (a)(1) * * *

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(iii) projects designed to prepare, through preceptorships and other programs, individuals subject to a service obligation under the National Health Service Corps scholarship program to effectively provide health services in [health manpower shortage areas.] *health professional shortage areas.*

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NURSE PRACTITIONER AND NURSE MIDWIFE PROGRAMS

SEC. 822. (a)(1) * * *

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programs for the training of nurse practitioners and nurse midwives. The Secretary shall give special consideration to applications for grants or contracts for programs for the training of nurse practitioners and nurse midwives who will practice in [health manpower shortage areas] *health professional shortage area* (designated under section 332) and for the education of nurse practitioners which emphsize education respecting the special problems of geriatric patients (particularly problems in the delivery of preventive care, acute care, and long-term care (including home health care and institutional care) to such patients) and education to meet the particular needs of nursing home patients and patients who are confined to their homes.

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considering applications for a grant or contract under this subsection, the Secretary shall give special consideration to applications for traineeships to train individuals who are residents of [health manpower shortage areas] *health professional shortage area* designated under section 332.

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(3) A traineeship funded under this subsection shall not be awarded unless the recipient enters into a commitment with the Secretary to practice as a nurse practitioner or nurse midwife in a [health manpower shortage area] *health professional shortage area* (designated under section 332) or in a public health care facility for a period equal to one month for each month for which the recipient receives such a traineeship.

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SOCIAL SECURITY ACT

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SEC. 1156. (b) * * *

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(5) Before the Secretary may effect an exclusion under paragraph (2) in the case of a provider or practitioner located in a rural [health manpower shortage area (HMSA)] *health professional shortage area* or in a county with a population of less than 70,000, the provider or practitioner adversely affected by the determination is entitled to a hearing before an administrative law judge (described in section 205(b)) respecting whether the provider or practitioner should be able to continue furnishing services to individuals

entitled to benefits under this Act, pending completion of the administrative review procedure under paragraph (4). If the judge does not determine, by a preponderance of the evidence, that the provider or practitioner will pose a serious risk to such individuals if permitted to continue furnishing such services, the Secretary shall not effect the exclusion under paragraph (2) until the provider or practitioner has been provided reasonable notice and opportunity for an administration hearing thereon under paragraph (4).

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SEC. 1833. * * *

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(m) In the case of physicians' services furnished to an individual, who is covered under the insurance program established by this part and who incurs expenses for such services, in an area that is designated (under section 332(a)(1)(A) of the Public Health Service Act) as a class 1 or class 2 [health manpower shortage area,] *health professional shortage area,* in addition to the amount otherwise paid under this part, there also shall be paid to the physician (or to an employer or facility in the cases described in clause (A) of section 1842(b)(6)) (on a monthly or quarterly basis) from the Federal Supplementary Medical Insurance Trust Fund an amount equal to 5 percent of the payment amount for the service under this part.

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SEC. 1842. (b)(4) * * *

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(F) In determining the customary charges for physicians' services (other than primary care services and other than services furnished in a rural area (as defined in section 1886(d)(2)(D)) that is designated, under section 332(a)(1)(A) of the Public Health Service Act, as a [health manpower shortage area] *health professional shortage area* for which adequate actual charge data are not available because a physician has not yet been in practice for a sufficient period of time, the Secretary shall set a customary charge at a level no higher than 80 percent of the prevailing charge for a service.

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SOCIAL SECURITY ACT—SECTION 1861

PART C—MISCELLANEOUS PROVISIONS

DEFINITIONS OF SERVICES, INSTITUTIONS, ETC.

SEC. 1861. For purposes of this title—

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Medical and Other Health Services

(s) The term "medical and other health services" means any of the following items or services:

(1) physicians' services;

(2)(A) * * *

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(K)(i) services which would be physicians' services if furnished by a physician (as defined in subsection (r)(1)) and which are performed by a physician assistant (as defined in subsection (aa)(3)) under the supervision of a physician (as so defined) (I) in a hospital, skilled nursing facility, or nursing facility (as defined in section 1919(a)), (II) as an assistant at surgery, or (III) in a rural area (as defined in section 1886(d)(2)(D)) that is designated, under section 332(a)(1)(A) of the Public Health Service Act, as a [health manpower shortage area,] *health professional shortage area*, and which the physician assistant is legally authorized to perform by the State in which the services are performed, and

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Rural Health Clinic Services

(aa)(1) The term "rural health clinic services" means—

(A) * * *

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(J) meets such other requirements as the Secretary may find necessary in the interest of the health and safety of the individuals who are furnished services by the clinic.

For the purposes of this title, such term includes only a facility which (i) is located in an area that is not an urbanized area (as defined by the Bureau of the Census) and that is designated by the Secretary either (I) as an area with a shortage of personal health services under section 1302(7) of the Public Health Service Act or (II) as a [health manpower shortage area] *health professional shortage area* described in section 332(a)(1)(A) of that Act because of its shortage of primary medical care manpower, (ii) has filed an agreement with the Secretary by which it agrees not to charge any individual or other person for items or services for which such individual is entitled to have payment made under this title, except for the amount of any deductible or coinsurance amount imposed with respect to such items or services (not in excess of the amount customarily charged for such items and services by such clinic), pursuant to subsections (a) and (b) of section 1833, (iii) employs a physician assistant or nurse practitioner, and (iv) is not a rehabilitation agency or a facility which is primarily for the care and treatment of mental diseases. A facility that is in operation and qualifies as a rural health clinic under this title or title XIX and that subsequently fails to satisfy the requirement of clause (i) shall be considered, for purposes of this title and title XIX, as still satisfying the requirement of such clause.

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COMPREHENSIVE HEALTH MANPOWER TRAINING ACT OF 1971

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SEC. 3505d. [NATIONAL HEALTH MANPOWER SHORTAGE CLEARINGHOUSE] *National Health Professional Shortage Clearinghouse*

ESTABLISHMENT; FUNCTION

(a) There is established in the Department of Health, Education, and Welfare a National Health [Manpower] *Professional* Shortage Clearinghouse. It shall be the function of the Clearinghouse to provide information to, and maintain listings of, (1) communities and areas with health professional needs, and (2) prospective health workers interested in such opportunities.

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UNIFORMED SERVICES HEALTH PROFESSIONS REVITALIZATION ACT OF 1972

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SEC. 2123. MEMBERS OF THE PROGRAM: ACTIVE DUTY OBLIGATION; FAILURE TO COMPLETE TRAINING; RELEASE FROM PROGRAM

(a) * * *

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(e) Any member of the program relieved of his active duty obligation under this chapter before the completion of such obligation may, under regulations prescribed by the Secretary of Defense, be assigned to [an area of health manpower shortage] *a health professional shortage area* designated by the Secretary of Health and Human Services for a period equal to the period of obligation from which he was relieved.

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HEAD START ACT

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SEC. 9840. PARTICIPATION IN HEAD START PROGRAMS; CRITERIA FOR ELIGIBILITY

(a)(1) * * *

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(B) the community is located in a medically underserved area, as designated by the Secretary pursuant to section 254c(b)(3) of this title and is located in a [health manpower shortage area] *health professional shortage area*, as designated by the Secretary pursuant to section 254e(a)(1) of this title;

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